

OGC 77-3128

16 May 1977

P-1.36

* White House
29 apr 77

MEMORANDUM FOR: Director of Central Intelligence

VIA : Deputy Director of Central Intelligence

FROM : Anthony A. Lapham
General Counsel

SUBJECT : Conflicts of Interest Compliance and Security
Clearance

REFERENCE : Letter from Robert Lipshutz dated 29 April 1977

1. Action Requested: None. You have inquired as to the effect of the referenced correspondence and this memorandum is for your information in that regard.


2. Background: The referenced correspondence was issued by the Office of the Counsel to the President for the purpose of reducing the number of prospective appointees who are subject to review by that office in regard to actual or apparent conflicts of interest. The White House will retain this responsibility for Presidential appointees, and appointees to the position of General Counsel. In regard to the Agency, this means that the financial interests of appointees to the positions of Director and Deputy Director of Central Intelligence, as well as the General Counsel, would require review by the Office of the Counsel to the President. Our present practice has been to submit the requisite information for the Director and Deputy Director positions. Additionally subjecting the position of General Counsel to this requirement will present no real difficulties and will be done in the future.

3. The remainder of the correspondence serves to delegate to the various agencies the responsibility for applying the Administration's conflict of interest guidelines to prospective appointees to Non-Career Executive Appointee (NEA) positions and political appointee positions designated in Schedule C of the Civil Service Commission excepted service. These prospective appointees at the levels of GS-16 and above, including Executive Salary Schedule positions, must be reviewed for conflicting interests by the General Counsels of the agencies involved.

(EXECUTIVE REGISTRY FILE)

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4. This division of labor does not conform to the personnel system of the Agency which, excluding the Director and Deputy Director of Central Intelligence, is populated entirely by non-career appointees within Schedule A of the Civil Service Commission excepted service. Patrick Apodaca of the Office of the Counsel to the President has advised my office, accordingly, that the referenced correspondence has no application to this Agency and that we will be advised when this difficulty, which already is under consideration in the context of the National Security Council Staff, has been resolved. In the interim, we should continue to operate according to Executive Order 11222 and our existing conflict of interest regulations which require initial and annual reporting of financial interests by individuals who are compensated at a level of the Federal Executive Salary Schedule and personnel in grades GS-13 and above who occupy positions and perform duties of a nature which require the reporting of financial interests in order to avoid the possibility of actual or apparent conflicts of interest.


Anthony A. Lapham

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OGC/ARC/lv

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THE WHITE HOUSE

WASHINGTON

April 29, 1977

MEMORANDUM FOR: DEPARTMENT AND AGENCY HEADS

FROM: Robert Lipshutz
Counsel to the President

SUBJECT: Conflicts of Interest Compliance and Security Clearance

Hamilton Jordan and I have decided that it shall be the policy of the Office of Counsel to the President to review conflicts of interest and security clearance reports only for prospective Presidential appointees (prospective appointees to a position designated as "PAS" or "PA") and for prospective appointees to the position of General Counsel to a department or an agency. Prospective appointments to NEA and Schedule C slots shall not otherwise be reviewed by White House Counsel.

Under the Administration's policy, all prospective appointees to non-career positions at the GS-16 level and above must be cleared of potential conflicts of interest. The General Counsel of the employing department or agency should therefore ensure that unreviewed prospective appointments in this category comply with the Administration's conflicts of interest requirements. General Counsels should consult with White House Counsel for general guidance on conducting their conflicts review and in the event a difficult question concerning a potential conflict of interest arises. Also, the General Counsels should assume responsibility for initiating and reviewing appropriate background investigations on any prospective non-career appointments which fall outside the scope of White House Counsel's review.

Summary memoranda and biographical sketches on all prospective appointees to Executive Level positions (i.e., positions where compensation is at an Executive Level rate) should continue to be submitted to Hamilton Jordan for other appropriate clearances. Documents pertaining to conflicts of interest compliance and security clearance should be included in the nominee's submission package only if he or she would be reviewed by White House Counsel in accordance with the policy stated herein.

Further questions concerning conflicts of interest compliance and security clearance should be addressed to Michael Cardozo (tel. 456-6246) and Patrick Apodaca (tel. 456-2397) respectively.

EXECUTIVE SECRETARIAT

Routing Slip

TO		ACTION	INFO	DATE	INITIAL
1	DCI		✓		
2	DDCI		✓		
3	D/DCI/IC		✓		
4	DDS&T				
5	DDI				
6	DDA				
7	DDO				
8	D/DCI/NI		✓		
9	GC	✓			
10	LC				
11	IG				
12	Compt				
13	D/Pers		✓		
14	D/S				
15	DTR				
16	Asst/DCI				
17	AO/DCI				
18	C/IPS				
19	DCI/SS				
20	D/EE0				
21					
22					
SUSPENSE		<div style="border: 1px solid black; border-radius: 50%; padding: 5px; display: inline-block;"> <p>9 May 77</p> <p>Date</p> </div>			

Remarks:

To 9: Please advise DCI via
DDCI of current situation.

Executive Secretary
3 May 77
Date

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(CLASSIFIED BY P-1.36)